

**South Carolina  
Department of Insurance**

Before the State of South Carolina  
Department of Insurance

**RECEIVED**  
MARK SANFORD  
Governor  
OCT 17 2006  
ELEANOR KITZMAN  
Director of Insurance  
STATE OF SOUTH CAROLINA  
DEPARTMENT OF INSURANCE

In the matter of:

RMTS Associates, LLC  
The Old Mercantile Exchange Building  
Six Harrison Street  
New York, NY 10013

SCDI File Number 05-333

Consent Order Imposing  
Administrative Fine

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and RMTS Associates, LLC (the Agency) a New York resident insurance agency.

The Agency hereby admits, and I find as fact, that it acted as a nonresident insurance agency in South Carolina without holding a license to do so and that it permitted some of its employees to act in the capacity of South Carolina nonresident insurance agents without them being properly licensed or otherwise authorized to do so. The Agency has alleged that these acts are not intentional and occurred because of a misunderstanding of South Carolina insurance law. However, they are a violation of S.C. Code Ann. §§ 38-43-20, 38-45-30 and 38-45-10 (Supp. 2002).

Prior to the initiation of any administrative proceedings by the Department against it, the Agency and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. The consensual recommendation was that the Agency would waive its right to a public hearing, submit, via certified check, a negotiated and consensual administrative fine in the total amount of \$2,000.

Section 38-43-30 requires every insurance agency to be licensed and provides that the term "agent" as used in the state's insurance laws is considered to include an agency, unless the context requires otherwise. South Carolina Code Ann. § 38-43-20 (Supp. 2002) provides that "no person may act as an agent for an insurer or for a fraternal benefit association unless an agent's license has been issued to him by the director or his designee." Code Section 38-43-70 provides the requirements for nonresidents to become licensed as an agent in this State. South Carolina Code Section 38-45-10 defines "insurance broker" and Section 38-45-30 addresses the requirements for nonresidents to be licensed as an insurance broker.

After a thorough review of the record, carefully considering the recommendation of the parties, and in accordance with my findings of fact, I now conclude, as a matter of law, that the Agency has violated S.C. Code Ann. §§ 38-43-20, 38-43-30 and 38-43-70 (Supp. 2002). However, under the discretionary authority provided to me by the General Assembly within S.C. Code Ann. §§ 38-2-10 (1) and 38-43-130 (Supp. 2002), I hereby require the Agency to submit an administrative

RMTS Associates, LLC

fine in the total amount of \$2,000, which must be paid within ten days of the date of my signature upon this consent order.

This administrative penalty has been reached by the parties as a result of negotiation and compromise, and is made in consideration of the Agency's assurance that it and its employees will fully comply with the insurance laws of South Carolina in the future. The parties expressly agree and understand the Agency's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter. This penalty includes all expenses related to investigation of this matter as provided in § 38-13-70 of the South Carolina Code.

By the signature of one of its representatives upon this consent order, the Agency acknowledges that it understands that this administrative order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000). Nothing contained within this administrative order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement officer or judicial officer. Nothing contained within this administrative order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is therefore ordered that RMTS Associates LLC shall, within ten days of the date of my signature on this consent order, pay through the South Carolina Department of Insurance an administrative fine in the total amount of \$2,000.

Finally, it is also ordered that a copy of this consent order shall be transmitted to the National Association of Insurance Commissioners for distribution to its member states and a copy of this order placed in the Agency's licensing file.

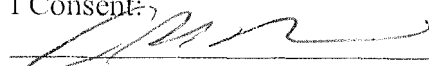
This consent order becomes effective as of the date of my signature below.

<sup>18<sup>th</sup></sup>  
03 October 2006, at  
Columbia, South Carolina

  
Eleanor Kitzman  
Director

RMTS Associates , LLC

I Consent;

  
\_\_\_\_\_  
Signature of Authorized Representative

Anne Buckley  
\_\_\_\_\_  
Name

General Counsel  
\_\_\_\_\_  
Title

RMTS Associates, LLC  
The Old Mercantile Exchange Building  
Six Harrison Street  
New York, NY 10013

Dated this 11 day of October, 2006